

10A.723 Sanctions.

1. Any party constructing a new institutional health facility or an addition to or renovation of an existing institutional health facility without first obtaining a certificate of need or, in the case of a mobile health service, ascertaining that the mobile health service has received certificate of need approval, as required by [this part](#), shall be denied licensure or change of licensure by the appropriate responsible licensing agency of this state.

2. A party violating [this part](#) shall be subject to penalties in accordance with [this section](#). The department shall adopt rules setting forth the violations by classification, the criteria for the classification of any violation not listed, and procedures for implementing [this subsection](#).

a. A class I violation is one in which a party offers a new institutional health service or changed institutional health service modernization or acquisition without review and approval by the council. A party in violation is subject to a penalty of three hundred dollars for each day of a class I violation. The department may seek injunctive relief which shall include restraining the commission or continuance of an act which would violate the provisions of this paragraph. Notice and opportunity to be heard shall be provided to a party pursuant to [rule of civil procedure 1.1507](#) and contested case procedures in accordance with [chapter 17A](#). The department may reduce, alter, or waive a penalty upon the party showing good faith compliance with the department's request to immediately cease and desist from conduct in violation of [this section](#).

b. A class II violation is one in which a party violates the terms or provisions of an approved application. The department may seek injunctive relief which shall include restraining the commission or continuance of or abating or eliminating an act which would violate the provisions of [this subsection](#). Notice and opportunity to be heard shall be provided to a party pursuant to [rule of civil procedure 1.1507](#) and contested case procedures in accordance with [chapter 17A](#). The department may reduce, alter, or waive a penalty upon the party showing good faith compliance with the department's request to immediately cease and desist from conduct in violation of [this section](#). A class II violation shall be abated or eliminated within a stated period of time determined by the department and specified by the department in writing. The period of time may be modified by the department for good cause shown. A party in violation may be subject to a penalty of five hundred dollars for each day of a class II violation.

3. Notwithstanding any other sanction imposed pursuant to [this section](#), a party offering or developing any new institutional health service or changed institutional health service without first obtaining a certificate of need as required by [this part](#) may be temporarily or permanently restrained from doing so by any court of competent jurisdiction in any action brought by the state, any of its political subdivisions, or any other interested person.

4. The sanctions provided by [this section](#) are in addition to, and not in lieu of, any penalty prescribed by law for the acts against which these sanctions are invoked.

[C79, 81, §135.73]

[91 Acts, ch 225, §14; 2019 Acts, ch 24, §104; 2023 Acts, ch 19, §1443, 1604 – 1606](#)

C2024, §10A.723

Referred to in [§10A.713](#)

Section transferred from [§135.73](#) in Code 2024 pursuant to directive in [2023 Acts, ch 19, §1443](#)

Subsection 1 amended

Subsection 2, unnumbered paragraph 1 amended

Subsection 3 amended